



NANCY REIMER  
Ameritas

NEIL BATEMAN  
Retired Educator

**Agenda Item 1:** J. Elliott stated this meeting will follow the Nebraska Open Meetings Act and a copy of the Act is located on the table by the door, and electronically, via a link on the final agenda posted on the NPERS website, and on the Attorney General's website.

**Agenda Items 2 and 3 – Meeting Called to Order:** J. Elliott called the July 20, 2020, Board Meeting to order at 9:33 a.m. Present at roll call: K. Ackerman, J. Derr, J. Elliott, P. Lancaster, M. Jahnke, A. Simpson, J. Schulz, and Michael Walden-Newman. Absent: None.

**Agenda Item 4 – Approval of Minutes:** P. Lancaster moved for approval of the minutes of the June 15, 2020, Board Meeting. A. Simpson seconded the motion. Members voted as follows: For: K. Ackerman, J. Derr, J. Elliott, P. Lancaster, M. Jahnke, A. Simpson, and J. Schulz. Against: None. Motion Carried.

**Agenda Item 5 – Approval of Budget Status Report & June 2020 Retirement Report:** J. Schulz moved to approve the Budget Status Report and the June 2020 Retirement Report. K. Ackerman seconded the motion. R. Gerke stated this is a rollover year, and NPERS will not spend all of the budget, even with encumbrances not final. Members voted as follows: For: K. Ackerman, J. Derr, J. Elliott, P. Lancaster, M. Jahnke, A. Simpson, and J. Schulz. Against: None. Motion carried.

**Agenda Item 6 – Public Comments or Correspondence from Citizens:** There were no public comments or correspondence from citizens with business not scheduled on the agenda.

**Agenda Item 7 – Legal Compliance Audit:** David Powell, of Groom Law Group, and Melanie Walker, of Segal, presented the Legal Compliance Audit, with Megan Horn, of Segal, running the presentation.

D. Powell summarized the audit, stating the systems are substantially in compliance with the requirements under IRC §401(a) and §457(b) and related Treasury Regulations and other applicable federal laws. He stated retirement plan administration is inherently difficult, and no plan document is free from ambiguity and the need for interpretation. Further, it is apparent NPERS administers their plans pursuant to rigorous and thorough internal control procedures developed for and consistently applied to Plan operations.

The audit identified a few areas of administration that may be of concern and may warrant further review and/or modification. The complete audit is available on NPERS website at: <https://npers.ne.gov/SelfService/public/howto/publications/LegalAudit.pdf>.

D. Powell strongly advised submission of an IRS Determination Letter's before September 1, 2020. This letter affords protection against retroactive disqualification for form defects, and it is strongly advised the filing be made. O. Hill would like to work with D. Powell and M. Walker to pursue such a filing. D. Powell noted systems have been requesting to have the letter deadline of August 31, 2020, be extended.

J. Schulz suggested a formal written response from NPERS administration, with suggestions for possible action, on each of the items presented for consideration of review or modification in the report. J. Elliott, suggested a six-month review of the suggestions and progress. She also asked movement be taken to submit the determination letters. R. Gerke stated there are some easy fixes, and will provide a report for the PERB with solutions.

J. Schulz moved to accept the Legal Compliance Audit. M. Jahnke seconded the motion. Members voted as follows: For: K. Ackerman, J. Derr, J. Elliott, P. Lancaster, M. Jahnke, A. Simpson, and J. Schulz. Against: None. Motion carried.

J. Elliott thanked Groom Law Group and Segal for the report, and recognized NPERS staff for their cooperation in the process. D. Powell stated the systems are one of the better-run systems. M. Walker re-iterated, the Nebraska system is well-run.

The Board took a break from 10:51 a.m. to 10:59 a.m.

**Agenda Item 8 – Board Policy Review:** O. Hill proposed the changes suggested were largely grammatical in nature, or adding generic language for minor adjustments. He reviewed specific changes including: adding cancellation provisions of PERB meetings in response to emergency situations, codifying a long-standing practice of counting a non-voting ex-officio member for purposes of constituting a quorum, eliminating DCP annuity language, and Cash Balance benefit dividend language referencing a majority of full Board agreement via roll call vote.

J. Elliott stated the Board Policy approval would be re-visited at the August PERB meeting.

**Agenda Item 9 – Legal/Legislative Update:** O. Hill stated the Legislature re-convened this morning, to conclude the remainder of the 2020 session. He will closely watch for priority bills, budget bills, and LB1054 which was in final reading before the recess.

J. Schulz moved to approve the Legal/Legislative Update. A. Simpson seconded the motion. Members voted as follows: For: K. Ackerman, J. Derr, J. Elliott, P. Lancaster, M. Jahnke, A. Simpson, and J. Schulz. Against: None. Motion carried.

**Agenda Item 10 – Director's Report:** R. Gerke presented the Director's Report.

- Almost all employees are working in the office.
- The lobby is open.
- Office visit appointments are being held.
- Seminars have not resumed, but production of electronic training and workshops is underway.

- Ameritas retirement personnel will work from home until December 2021.
- The COLA is .52%. Treasury yield curve which determines the interest rate for the defined benefit plan, is .16%, in contrast to 2019 at 1.94%.
- The Cash Balance dividend will be credited to members' accounts on July 31, 2020, with a total of \$52 million (rounded) into the member's accounts.
- School retirement season is underway. Overtime has been approved, and may be approved going forward.
- Sunset purchase of service (POS) is now final, as it was over in April of 2020. Approximately, 27 POS came in before the deadline. The project is over.
- The Omaha School Employees Retirement Systems (OSERS) report is complete and was submitted to the Legislature. The hearing for the Legislative Retirement Committee on the OSERS matter is tentatively scheduled for September 18, 2020.
- The State and County audit exit, via Webex, is scheduled for July 27, 2020. Members of the PERB Audit Committee will attend. Members of the Committee are K. Ackerman-Chair, P. Lancaster, and M. Jahnke.
- The Biennial Budget preliminary draft narrative is due August 3, 2020, and will need to come before the PERB in August. The final budget is due September 15, 2020.
- J. Winkelman held a Judge 101 seminar, via Webex. J. Derr attended and stated it was very informative. He stated the benefit estimator is a great tool on NPERs website.
- The online non-contributing member form project continues, with 50 schools enrolled and 300 forms submitted.
- The print-to-mailroom feature is processing 1,500 documents a month.
- The Deferred Compensation Plan (DCP) open enrollment, experienced the first full month of contributions. There are 607 new DCP members, and most members are going into the default fund.
- The Defined Contribution, DCP, and Deferred Retirement Option Plan fund changes will be available to members for investment elections on December 4, 2020.
- A new Benefits Manager has been hired: M. Nuss.
- The Call Center Manager position is now open.
- The Data Services Manager, Dennis Cooper, is retiring, so the position will be open.
- Three of the Retirement Specialist I positions in Benefits need to be filled. Interviews are underway.

P. Lancaster moved to approve the Director's Report. K. Ackerman seconded the motion. Members voted as follows: For: K. Ackerman, J. Derr, J. Elliott, P. Lancaster, M. Jahnke, A. Simpson, and J. Schulz. Against: None. Motion carried.

**Agenda Item 11 – Board Committee Reports:** There were none.

**Agenda Item 12 – Board Education/Travel Requests:** There were none.

**Agenda Item 13 – Future Meetings/Agendas:** The next PERB meeting is Monday, August 17, 2020.

**Agenda Items 14 and 15 – Executive Session:** At 11:34 a.m., M. Jahnke moved the Board exit Regular Session and convene in Executive Session for the purpose of discussing applications of plan members and legal matters: Case Review No. D-20-08; Prevention of Needless Injury to the Reputation of an Individual, Personnel Matters; Protection of Public Interest, Prevention of Needless Injury to the Reputation of an Individual, and Update on Pending Legal Matters; Protection of Public Interest. J. Derr seconded the motion. J. Elliott repeated the motion for the record. Members voted as follows: For: For: K. Ackerman, J. Derr, J. Elliott, P. Lancaster, M. Jahnke, A. Simpson, and J. Schulz. Against: None. Motion carried.

At 11:53 a.m., J. Derr moved the Board exit Executive Session and reconvene in Regular Session. P. Lancaster seconded the motion. Members voted as follows: For: K. Ackerman, J. Derr, J. Elliott, P. Lancaster, M. Jahnke, A. Simpson, and J. Schulz. Against: None. Motion carried.

M. Jahnke moved for approval of Case Review No. D-20-08. P. Lancaster seconded the motion. Members voted as follows: For: For: K. Ackerman, J. Derr, J. Elliott, P. Lancaster, M. Jahnke, A. Simpson, and J. Schulz. Against: None. Motion carried.

**Adjournment:** K. Ackerman moved the meeting adjourn. A. Simpson seconded the motion. Members voted as follows: For: For: K. Ackerman, J. Derr, J. Elliott, P. Lancaster, M. Jahnke, A. Simpson, and J. Schulz. Against: None. Motion carried.

The meeting adjourned at 11:55 a.m.



Randy Gerke  
Director